

# uPhongolo Municipality



Published

## Annual Financial Statements

for the year ended

30 June 2006

# INDEX

		Page Number
1	GENERAL INFORMATION	2
2	FOREWORD	3
3	REPORT OF THE AUDITOR-GENERAL	5
4	TOWN TREASURER'S REPORT	6
5	ACCOUNTING POLICIES	9
6	BALANCE SHEET	11
7	INCOME STATEMENT	12
8	CASH FLOW STATEMENT	13
9	NOTES TO THE FINANCIAL STATEMENTS	14
10	APPENDICES	
	A STATUTORY FUNDS, RESERVES AND PROVISIONS	21
	B EXTERNAL LOANS AND INTERNAL ADVANCES	22
	C ANALYSIS OF FIXED ASSETS	23
	D ANALYSIS OF OPERATING INCOME AND EXPENDITURE	24
	E DETAILED INCOME STATEMENT	25

## **GENERAL INFORMATION**

### **MEMBERS OF THE uPHONGOLO MUNICIPALITY EXECUTIVE COMMITTEE**

Councillor B J Mncwango (Chairman)  
Councillor S W van der Merwe  
Councillor M J Mncwango (Ex officio)  
Councillor S V Damini  
Councillor B Mvelase

Honourable Mayor  
Honourable Deputy Mayor  
Honourable Speaker

### **MEMBERS OF THE uPHONGOLO MUNICIPALITY COUNCIL**

Councillor J P Ngwenya  
Councillor M L Sibiya  
Councillor M M Mtungwa  
Councillor M B Mavinbela  
Councillor K E Thabede  
Councillor A S Mafuleka  
Councillor M J Dlamini  
Councillor M G Mathabela  
Councillor Z L Nxumalo  
Councillor A Z Thabede  
Councillor S V Nkosi  
Councillor M B Makhoba  
Councillor M E Dlamini  
Councillor B C Nhlabathi  
Councillor K J Shabangu  
Councillor M M Khumalo  
Councillor J C Theron

### **GRADING OF THE LOCAL AUTHORITY**

Grade 4

### **AUDITORS**

Office of the Auditor-General

### **BANKERS**

First National Bank of South Africa  
ABSA

(Primary bank account)

### **REGISTERED OFFICE**

Municipal Office  
61 Martin Street  
Pongola

P O Box 191  
Pongola  
3170

Telephone: (034) 413 1223  
Facsimile: (034) 413 1706  
e-mail: [pongolatlc@pqa.dorea.co.za](mailto:pongolatlc@pqa.dorea.co.za)

## GENERAL INFORMATION (continue)

### MUNICIPAL MANAGER

F Jardim (Mrs)

### CHIEF FINANCIAL OFFICER

A Greco  
Registered Municipal Accountant

### APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 11 to 24 were approved by the Municipal Manager on 28 August 2006 and presented to Council on .....

  
\_\_\_\_\_  
MUNICIPAL MANAGER  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

# uPHONGOLO MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

### TREASURER'S REPORT

#### 1 OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2006 are as follows:

#### TOTAL OF ALL SERVICES

	ACTUAL 2005	ACTUAL 2006	VARIANCE 2005/2006	BUDGET 2006	VARIANCE ACTUAL/BUDGET
	R	R	%	R	%
<b>INCOME</b>					
Opening Surplus	1,436,279	2,098,200			
Sundry transfers	-	(45,203)			
Operating Income for the year	32,190,563	40,978,325	27.30%	47,691,102	-14.08%
	<b>33,626,842</b>	<b>43,031,322</b>		<b>47,691,102</b>	
<b>EXPENDITURE</b>					
Operating Expenditure for the year	31,852,767	37,129,343	16.57%	46,453,071	-20.07%
Sundry transfers	(324,125)	-			
Closing surplus/(deficit)	2,098,200	5,901,979		1,238,031	
	<b>33,626,842</b>	<b>43,031,322</b>		<b>47,691,102</b>	

	ACTUAL 2005	ACTUAL 2006	VARIANCE 2005/2006	BUDGET 2006	VARIANCE ACTUAL/BUDGET
<b>INCOME PER FUNCTION</b>					
COMMUNITY SERVICES	17,944,864	22,091,318	23.11%	27,282,383	-19.03%
SUBSIDISED SERVICES	1,580,469	1,983,783	25.52%	3,328,365	-40.40%
ECONOMICAL SERVICES	3,097,097	3,721,421	20.16%	4,346,842	-14.39%
<b>TOTAL GENERAL SERVICES</b>	<b>22,622,430</b>	<b>27,796,522</b>	<b>22.87%</b>	<b>34,957,590</b>	<b>-20.49%</b>
WATER	4,669,099	6,996,803	49.85%	5,666,267	23.48%
ELECTRICITY	4,899,034	6,185,000	26.25%	7,067,245	-12.48%
<b>TOTAL TRADING SERVICES</b>	<b>9,568,133</b>	<b>13,181,803</b>	<b>37.77%</b>	<b>12,733,512</b>	<b>3.52%</b>
<b>TOTAL AS PER FUNCTION</b>	<b>32,190,563</b>	<b>40,978,325</b>	<b>27.30%</b>	<b>47,691,102</b>	<b>-14.08%</b>

<b>OPERATING INCOME PER CATEGORY</b>					
PROPERTY RATES	3,775,614	3,833,840	1.54%	4,907,850	-21.88%
ELECTRICITY	4,899,034	5,370,082	9.62%	5,657,235.00	-5.08%
WATER	4,669,099	5,024,223	7.61%	4,175,487.00	20.33%
SANITATION	860,019	879,505	2.27%	980,832	-10.33%
REFUSE REMOVAL	2,237,077	1,622,555	-27.47%	1,820,156	-10.86%
GRANTS	13,163,236	18,772,166	42.61%	23,967,338	-21.68%
INTEREST ON INVESTMENT INCOME	60,543	155,893	157.49%	40,000	289.73%
OTHER	2,525,940	5,320,061	110.62%	6,142,204	-13.39%
<b>TOTAL</b>	<b>32,190,563</b>	<b>40,978,325</b>	<b>27.30%</b>	<b>47,691,102</b>	<b>-14.08%</b>

<b>EXPENDITURE PER FUNCTION</b>					
COMMUNITY SERVICES	14,673,652	16,709,067	13.87%	21,811,183	-23.39%
SUBSIDISED SERVICES	4,905,362	4,884,482	-0.43%	7,012,228	-30.34%
ECONOMICAL SERVICES	2,606,481	3,818,170	46.49%	4,333,061	-11.88%
<b>TOTAL GENERAL SERVICES</b>	<b>22,185,475</b>	<b>25,411,719</b>	<b>14.54%</b>	<b>33,156,472</b>	<b>-23.36%</b>
WATER	3,097,680	5,031,785	62.44%	6,234,882	-19.30%
ELECTRICITY	6,569,612	6,685,839	1.77%	7,061,717	-5.32%
<b>TOTAL TRADING SERVICES</b>	<b>9,667,292</b>	<b>11,717,624</b>	<b>21.21%</b>	<b>13,296,599</b>	<b>-11.88%</b>
<b>TOTAL AS PER FUNCTION</b>	<b>31,852,767</b>	<b>37,129,343</b>	<b>16.57%</b>	<b>46,453,071</b>	<b>-20.07%</b>

	ACTUAL 2005	ACTUAL 2006	VARIANCE 2005/2006	BUDGET 2006	VARIANCE ACTUAL/BUDGET
<b>OPERATING EXPENDITURE</b>					
<b>SALARIES, WAGES &amp; ALLOWANCES</b>	10,846,432	12,322,188	13.61%	12,789,577	-3.65%
<b>GENERAL EXPENDITURE</b>					
COUNCILLORS REMUNERATION		1,372,691		1,633,185	-15.95%
ELECTRICITY BULK PURCHASES	4,740,150	4,027,323	-15.04%	3,813,732	5.60%
WATER BULK PURCHASES	601,678	667,472	10.94%	938,786	-28.90%
OTHER	15,353,737	13,580,413	-11.55%	19,073,994	-28.80%
REPAIRS & MAINTENANCE	1,925,174	2,027,886	5.34%	2,952,351	-31.31%
<b>CAPITAL CHARGES</b>					
EXTERNAL INTEREST & REDEMPTION	894,682	864,674	-3.35%	1,193,321	-27.54%
INTERNAL INTEREST & REDEMPTION	181,206	268,670	0.00%	409,354	-34.37%
CONTRIBUTIONS TO FIXED ASSETS	1,081,795	2,182,810	101.78%	3,988,896	-45.28%
CONTRIBUTIONS TO SPECIAL FUNDS	1,330,392	3,626,201	172.57%	3,596,887	0.81%
<b>TOTAL GROSS BUDGET EXPENDITURE</b>	36,955,245	40,940,328	10.78%	50,390,083	-18.75%
<b>LESS AMOUNTS REALLOCATED</b>	3,447,932	3,810,985	10.53%	3,957,008	-3.69%
<b>TOTAL: NET BUDGET EXPENDITURE</b>	<b>33,507,313</b>	<b>37,129,343</b>	<b>10.81%</b>	<b>46,433,075</b>	<b>-20.04%</b>

<b>(SURPLUS)/DEFICIT PER FUNCTION</b>					
COMMUNITY SERVICES	(3,271,212)	(5,382,251)	64.53%	(5,471,200)	-1.63%
SUBSIDISED SERVICES	3,324,893	2,900,699	-12.76%	3,683,863	-21.26%
ECONOMICAL SERVICES	(490,636)	96,749	-119.72%	(13,781)	-802.05%
<b>TOTAL GENERAL SERVICES</b>	<b>(436,955)</b>	<b>(2,384,803)</b>	<b>445.78%</b>	<b>(1,801,118)</b>	<b>32.41%</b>
WATER	(1,571,419)	(1,965,018)	25.05%	568,615	-445.58%
ELECTRICITY	1,670,578	500,839	-70.02%	(5,528)	-9160.04%
<b>TOTAL TRADING SERVICES</b>	<b>99,159</b>	<b>(1,464,179)</b>	<b>-1576.60%</b>	<b>563,087</b>	<b>-360.03%</b>
<b>TOTAL AS PER FUNCTION</b>	<b>(337,796)</b>	<b>(3,848,982)</b>	<b>1039.44%</b>	<b>(1,238,031)</b>	<b>210.90%</b>

The Total income is 27.30% more than the previous year, mainly due to the increase in the equitable share received. On the other hand is the actual income 14.08% less than budgeted due to over estimating assessment rates income and the equitable share allocation.

Actual expenditure increased from the previous year with 10.81% but is 20.04% less than budgeted. The increase in expenditure relates to salaries increasing, additional contributions to the capital outlay and contributions to Bad Debts. The saving on the budget was a result of under spending on various general expense items, most notably contractors.

The net result is that the budgeted surplus increased from R 1,238,031 to an actual surplus of R 3,848,982.

## 2 CAPITAL EXPENDITURE AND FINANCING

Expenditure on Fixed assets during the year amounted to R 6,627,686. Expenditure on the construction of the office complex (R 4,061,975) and Water pipeline (R 1,112,022) contributed 78% to the total capex. A summary of capital outlay per function is as follows:

	ACTUAL 2005 R	ACTUAL 2006 R	BUDGET 2006 R
COMMUNITY SERVICES	7,062,830	4,994,118	9,093,900
SUBSIDISED SERVICES	700,282	112,623	1,325,000
ECONOMICAL SERVICES	4,080,387	83,888	773,000
<b>TOTAL GENERAL SERVICES</b>	<b>11,843,499</b>	<b>5,190,629</b>	<b>11,191,900</b>
WATER	453,879	1,132,987	-
ELECTRICITY	453,879	196,909	1,100,000
<b>TOTAL TRADING SERVICES</b>	<b>907,758</b>	<b>1,329,896</b>	<b>1,100,000</b>
PUBLIC IMPROVEMENT FUND	31,328	107,161	-
<b>TOTAL AS PER FUNCTION</b>	<b>12,782,585</b>	<b>6,627,686</b>	<b>12,291,900</b>

Resources used to finance the fixed assets were as follows:

Contribution from revenue	886,520	2,182,810	2,715,720
Grants	11,896,065	73,500	1,419,180
External Loans	-	2,870,468	3,000,000
Internal Advances	-	1,191,507	2,350,000
Other Sources	-	309,401	2,807,000
<b>TOTAL</b>	<b>12,782,585</b>	<b>6,627,686</b>	<b>12,291,900</b>

A complete analysis of capital expenditure (Budget and actual) per department, classification or service is included in appendix C.

### **3 EXTERNAL LOANS, INVESTMENTS AND CASH.**

#### **External Loans**

External loans outstanding on 30 June 2006 amount to R 5,626,209 (R 3,166,905) as set out in appendix B. A new loan valued at R 2,870,468 was taken up from ABSA to finance the Office complex.

#### **Investments and cash**

Investments decreased from R 3,570,303 to R 1,668,471 as at 30 June 2006, while the current account balances increased from an overdraft of R982,308 to R 125,592.

More information regarding loans and investments are disclosed in note 3 and 5 of the financial statements.

### **4 FUNDS, RESERVES AND PROVISIONS**

The movement regarding statutory funds, reserves and provisions is disclosed in the notes and Appendix A to the financial statements.

### **5 APPRECIATION**

I would like to thank the Mayor, the deputy Mayor, Speaker, the Chairman and Members of the executive Committee, and other Councillors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year. A special word of thanks to the Department of Traditional and Local Government Affairs, the consultants and personnel of the Finance Department for their loyalty and commitment in preparing the financial accounts of our municipality.

A Greco  
Chief Financial Officer  
28-Aug-06

## ACCOUNTING POLICIES

### 1. Basis of Presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice (1992) and the Report on the Standardization of Financial Statements of Local Authorities (4th Edition, as amended).
- 1.2 The accounting policies are consistent with those of the previous year in all material respects, except where otherwise stated.
- 1.3 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in paragraph three below.
- 1.4 The financial statements are prepared on the accrual basis :
  - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
  - Expenditure is accrued in the year it is incurred.

### 2. Consolidation

The balance sheet includes General Services, the Water Service, the various funds, reserves and provisions. All inter-departmental transactions have been offset against each other. Departmental assessment rates, electricity, refuse removal, sewerage and water have been shown as income and expenditure under the respective departments.

### 3. Fixed Assets

- 3.1 Fixed Assets are stated :
  - at historical cost, or
  - at valuation ( based on the market price at the date of acquisition ), where assets have been acquired by grant or donation.
  - while in existence or fit for use.
- 3.2 Depreciation  
Fixed Assets are not depreciated although the amount of "Loans Redeemed and Other Capital Receipts" . in the notes to the balance sheet is tantamount to a provision for depreciation
- 3.3 All net proceeds from the sale of vacant fixed property are credited to the Public Improvement Fund. Net proceeds from the sale of all other assets are credited to the Capital Development Fund.
- 3.4 Capital assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated life of the assets so acquired. Interest is charged to the service at the ruling interest rate applicable at the time that the advance is made.
- 3.5 Capital equipment acquired by way of finance lease is brought into the accounting records as fixed assets which have been financed by long-term liabilities.
- 3.6 Assets are written off with the express and prior approval of the Council only.

### 4. Inventory

No stock is currently on hand in view that expenditure is directly allocated to each and every department when incurred.

### 5. Funds, Reserves and Provisions

- 5.1 Capital Development Fund  
The Natal Ordinance No. 25 of 1974, Section 103(9), requires a minimum contribution of 3 per centum of the defined income of a municipality, in this case rounded off to the nearest ten Rand. The Fund is used to finance capital expenditure, and the surplus funds are invested.
- 5.2 Public Improvement Fund  
The Public Improvement Fund provides funding for future township development. All development costs as defined in section 103 (3)(d) of the Local Government Ordinance, Natal, No.25 of 1974, are debited against the fund. All proceeds from the sale of developed land are credited as income for the fund. The Fund is used to finance capital expenditure, and the surplus funds are invested. There is, however, a proviso as to what type of asset may be funded from this Fund.



### 5.3 Trust Funds

The amounts reflected as Trust Funds are the unspent portion of grants received from various Departments. The purpose of these grants is either for capital or operating nature.

### 5.4 Reserves

The amounts reflected as Reserves are provisions made from grant funding for expenditure related to conditional predetermined projects and may be of capital or operational nature as stipulated in the memorandum of agreement, and of which the amount is unknown and the service still to be rendered.

### 5.5 Provisions

**Leave:** A provision actual to the leave credit as at year end is maintained to provide for leave payments on termination of service or on request. The provision is funded by contributions from operating expenditure.

**Bad Debts:** A provision equal to the outstanding consumer debtors for 90 days and longer is maintained for bad debts. Contributions are made from accumulated funds or operating expenditure, depending on the availability of previous years- or current year surpluses. The provision currently is however not equal to the amount as indicated in the policy due to insufficient surpluses available, and will be adjusted annually till the necessary amount is reached.

## 6. Retirement Benefits

All employees, with the exception of the Contract employees, contribute to various pension funds as listed in note 23. A full actuarial valuation is conducted by the funds actuaries every three years. These funds are presently in a stable financial position. An interim valuation was conducted as at 31 March 2004. The last full valuations was in March 2002. The retirement benefit plan is subject to the rules and regulations prescribed by the Local Government Superannuation Ordinance, 1973 (Ordinance No. 24 of 1973) and in accordance with the requirements of the Pensions Fund Act, 1956. Current contributions are charged against operating income on the basis of current service costs.

Councillors may join the Councillors Pension Fund, which is managed in accordance with the Pensions Fund Act, 1956.

## 7. Investments

Investments are shown at cost and are in securities prescribed in Section 125 of Natal ordinance No. 25 of 1974. They are considered to be risk-free.

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested in securities as prescribed by section 125 of the Local Authorities Ordinance, 1974 (Ordinance No. 25 of 1974) and section 10G(9) of the Local Government Transition Act, 1993 (Act No. 209 of 1993).

## 8. Treatment of Administration and other Overhead Services

Any surplus or deficit arising from the operations of the Electricity, Sewerage and Water services are included in the Accumulated Surplus Account for Rates and General Services. These accounts are however ring fenced and separate accounts are maintained.

## 9. Leased Assets

9.1 Fixed assets held under finance leases are capitalised. Such leases are effectively amortised over the term of the lease agreement. Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and the cost of the lease finance utilised in each accounting period.

9.2 All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the asset concerned.

## 10. Income Recognition

10.1 Assessment rates are levied on land and buildings and are billed both monthly and annually.

10.2 Services are billed monthly. Any other income is by direct payment prior to service being rendered.

**uPHONGOLO MUNICIPALITY**  
**BALANCE SHEET AT 30 JUNE 2006**

	Note	<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b><u>CAPITAL EMPLOYED</u></b>			
<b>FUNDS AND RESERVES</b>		17,449,336	15,547,697
Statutory Funds	1	13,902,099	12,335,015
Trust Funds	2	(33,995)	(23,182)
Reserves	3	3,581,232	3,235,864
<b>ACCUMULATED SURPLUS</b>		5,901,979	2,098,200
<b>LONG-TERM LIABILITIES</b>	4	4,964,353	2,592,944
<b>CONSUMER DEPOSITS</b>	5	311,723	297,733
		<u>28,627,392</u>	<u>20,536,574</u>
<b><u>EMPLOYMENT OF CAPITAL</u></b>			
<b>FIXED ASSETS</b>	6	11,393,836	7,597,643
<b>LONG-TERM DEBTORS</b>	8	974,722	985,384
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		16,258,834	11,953,547
<b>CURRENT ASSETS</b>		19,147,434	16,046,161
Inventory	9	-	-
Short Term Investments	7	1,668,471	3,570,303
Debtors	10	17,353,371	13,458,166
Cash at Bank	22	125,592	(982,308)
<b>CURRENT LIABILITIES</b>		2,888,600	4,092,614
Provisions	11	563,162	478,912
Creditors	12	1,663,582	3,039,741
Loans - Short term portion	4	661,856	573,961
Bank overdraft	22	-	-
		<u>28,627,392</u>	<u>20,536,574</u>

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2005 ACTUAL INCOME R	2005 ACTUAL EXPENDITURE R	2005 SURPLUS/ (DEFICIT) R
22,622,430	22,185,475	436,955
17,944,864	14,873,652	3,271,212
1,580,469	4,905,362	(3,324,893)
3,097,097	2,606,461	490,636
9,568,133	9,667,292	(99,159)
<b>32,190,563</b>	<b>31,852,767</b>	<b>337,796</b>
		324,125
		661,921
		1,436,279
		<b>2,098,200</b>

	2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	2006 SURPLUS/ (DEFICIT) R	2006 BUDGET SURPLUS/ (DEFICIT) R
<b>RATES AND GENERAL SERVICES</b>	27,796,522	25,411,719	2,384,803	1,801,118
Community Services	22,091,318	16,709,087	5,382,251	5,471,200
Subsidised Services	1,983,783	4,884,482	(2,900,699)	(3,683,863)
Economic Services	3,721,421	3,818,170	(96,749)	13,781
<b>TRADING SERVICES</b>	13,181,803	11,717,624	1,464,179	(563,087)
<b>TOTAL</b>	<b>40,978,325</b>	<b>37,129,343</b>	<b>3,848,982</b>	<b>1,238,031</b>
Appropriations for the year			(45,203)	
Net surplus for the year			3,803,779	
Accumulated surplus beginning of the year			2,098,200	
Accumulated surplus end of the year			<b>5,901,979</b>	

More details are available on Appendix E

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	2006 R	2005 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>			
		3,374,450	7,346,364
Cash utilised by operations	18	10,465,685	5,230,338
Investment Income		155,893	445,821
(Increase)/Decrease in Working Capital	19	(7,185,679)	(3,558,412)
		3,435,899	2,117,747
Less: External Interest paid		(453,510)	(506,802)
Cash utilised by operations		2,982,389	1,610,945
Proceeds on disposal of fixed assets		318,561	-
Other contributions from the Public and State		-	-
Capital contributions from the Public and State		73,500	5,735,419
<b>CASH UTILISED IN INVESTING ACTIVITIES:</b>			
Investments in Fixed Assets		(6,627,686)	(12,467,907)
Housing development for low income group		-	-
NET CASH FLOW		(3,253,236)	(5,121,543)
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
(Decrease)/Increase in Long-term Loans	4	2,459,304	(979,301)
Decrease/(Increase) in Cash investments	19	1,901,832	4,578,331
Decrease/(Increase) in Cash	20	(1,107,900)	1,522,513
NET CASH GENERATED/(UTILISED)		3,253,236	5,121,543

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b>1 STATUTORY FUNDS</b>		
Consolidated Capital Development Fund	8,072,395	6,438,803
Public Improvement Fund	5,829,704	5,896,212
(See Appendix A for more detail)	<u>13,902,099</u>	<u>12,335,015</u>
<b>2 TRUST FUNDS</b>		
Ncotshane Peoples Housing Project	-24,560	-24,560
Traditional Affairs: Office furniture	1,378	1,378
Agricultural Cluster LED	-10,813	
(See Appendix A for more detail)	<u>-33,995</u>	<u>-23,182</u>
<b>3 RESERVES</b>		
Ncotshane Community Hall	24,981	24,981
Bus Route	152,567	152,567
Refuse Dump	-	-
Scorpio	-	-
NLK Entrance Road	101,136	101,136
Transitional Grant	-	13,500
Water Meters	56,752	56,752
Peace Initiative	-63,426	-63,426
Land Use Management Plan	298,903	48,903
KZN TALG Building Grant	-	-
Disaster Management Grant	20,000	20,000
GIS Grant	4,853	4,853
Performance Management Grant	89,167	70,967
IDP Capacity Grant	137,852	170,000
Ncotshane New Library	272,857	332,857
Waste Management	-	-
MAP	2,437,520	1,966,741
Ncotshane Collector Sewer	-1,451,845	-1,047,748
IDP Review	-	50,000
Financial Management Grant	75,000	75,000
Community Participation Grant	-	50,000
MFMA	145,000	45,000
Develop Admin. Capacity	300,000	100,000
Property Rates Implementation	228,125	63,125
Inter Departmental Monitoring	77,697	60,000
Pongolapoortdam Development	-66,142	30,644
Community Dev. Workers Grant	68,306	-
DBSA Planning Grant	-84,000	-
Housing SP Community Gardens	124,207	190,529
Planning & Development	101,517	116,619
Municipal Financial Systems	333,457	172,119
Uniforms for staff	36,845	36,845
Cleanest Town Competition	-	189,456
Insurance Reserve	159,903	194,444
Working Capital Reserve	-	-
(See Appendix A for more detail)	<u>3,581,232</u>	<u>3,235,864</u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b>4 LONG TERM LIABILITIES</b>		
Annuity Loans	5,626,209	3,166,905
	<u>5,626,209</u>	<u>3,166,905</u>
Less: Current portion transferred to current liabilities	661,856	573,961
	<u>4,964,353</u>	<u>2,592,944</u>
(See Appendix B for more detail)		
<b>5 CONSUMER DEPOSITS</b>		
Water Services	277,614	275,873
Electricity Services	34,121	21,860
Refuse Deposit	(12)	
	<u>311,723</u>	<u>297,733</u>
<b>6 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	61,354,114	48,886,207
Capital outlay during the year	6,627,686	12,467,907
	<u>67,981,800</u>	<u>61,354,114</u>
Less: Assets written off, transferred or disposed of during the year	189,555	-
Total fixed assets	67,792,245	61,354,114
Less: Loans redeemed and other capital receipts	56,398,409	53,756,471
	<u>11,393,836</u>	<u>7,597,643</u>
Nett fixed assets		
(See Appendix C for more detail)		
<b>7 INVESTMENTS</b>		
Unlisted Short term deposits	1,668,471	3,570,303
	<u>1,668,471</u>	<u>3,570,303</u>
Total Investments		
	<u>1,668,471</u>	<u>3,570,303</u>
Management's valuation of unlisted investments	1,668,471	3,570,303
Average gross rate of return on investments	5.70%	7.69%
Local authorities are required to invest funds which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet current commitments.		
No investments have been written off during the year.		
<b>8 LONG TERM DEBTORS</b>		
Sale of Erven: Pongola	209,754	249,311
Sale of Erven: Ncotshane	718,093	718,093
Security Deposits	46,875	17,980
	<u>974,722</u>	<u>985,384</u>

# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2006 R	2005 R
<b>9 INVENTORY</b>		
Inventory represents consumable stores		
The municipality is currently not operating any stores, and all consumables are debited to the respective operating accounts when paid.		
<b>10 DEBTORS</b>		
Consumers Debtors	27,217,819	21,042,383
Assessment Rates	7,914,797	6,126,712
Refuse	7,224,963	5,470,783
Sewerage	1,084,140	864,698
Water	9,865,511	7,493,556
Electricity	1,128,408	956,609
Prepayment	-	130,025
Other Current Debtors	2,394,461	2,735,725
Billing Debtors	1,800,096	1,706,277
Miscellaneous	29,916	
SARS - VAT	564,449	1,029,448
	29,612,280	23,778,108
Less: Provision for bad Debt	12,258,909	10,319,942
	17,353,371	13,458,166
Days outstanding in debtors amount to	610	477
<b>11 PROVISIONS</b>		
Leave Pay	563,162	478,912
(See Appendix B for more detail)	563,162	478,912
<b>12 CREDITORS</b>		
Trade Creditors	1,230,019	2,477,142
Suspense	155,094	-
Audit Fees	0	432,574
Received in advance	278,470	130,025
	1,663,582	3,039,741
<b>13 ASSESSMENT RATES</b>		
General rate (cents in Rand)		
Land	0.13451	0.13451
Improvements	0.00463	0.00463
Property Valuation		
Land	137,116,640	137,116,640
Improvements	653,526,320	653,526,320
Rates Income		
General	3,833,840	3,485,888

Assessment rates are based on the valuation rating system. Property valuations are done every 5 years. The last valuation came into effect on 1 July 1999. Exemption is approved pending the implementation of the Property Rates Act.

# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

		<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b>14 COUNCILLORS REMUNERATION</b>			
	Number	Amount	
Mayor's Allowance	1	102709	90,030
Deputy Mayor's Allowances	1	82169	73,738
Speakers Allowances	1	82169	73,738
Executive Committee Allowances	2	152308	139,331
Councillor's Allowances	17	758353	699,598
	<u>22</u>	<u>1,177,708</u>	<u>1,076,434</u>
<b>15 AUDITOR'S REMUNERATION</b>			
Current Year		941,791	356,190
		<u>941,791</u>	<u>356,190</u>
<b>16 FINANCE TRANSACTIONS</b>			
External Interest earned or paid			
Interest Earned		155,893	218,105
Interest Paid		558,160	586,287
Capital charges debited to operating account			
Interest			
External		453,510	506,802
Internal		104,650	79,485
Redemption			
External		411,164	387,880
Internal		164,020	101,720
		<u>1,133,344</u>	<u>1,075,887</u>



# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2006 R	2005 R
<b>17 APPROPRIATIONS</b>		
• Appropriation Account		
Accumulated surplus at the beginning of the year	2,098,200	1,436,279
Operating surplus for the year	3,848,982	337,796
Appropriations for the year	(45,203)	324,125
Prior year adjustments	-	-
Provision for Bad Debts	-	-
Accumulated surplus/(deficit) at the end of the year	<u>5,901,979</u>	<u>2,098,200</u>
Operating account		
Capital Expenditure	2,182,810	1,081,795
Contributions to Provisions	2,396,851	364,675
Bad Debts	1,938,967	-
Leave Payments	457,884	364,675
Contributions to Capital Development Fund	1,229,350	965,717
Contributions to Reserves	-	-
	<u>5,809,011</u>	<u>2,412,187</u>
<b>18 CASH GENERATED BY OPERATIONS</b>		
Surplus/(Deficit) for the year	3,848,982	337,796
Previous years operating transactions	(45,203)	324,125
Appropriations charged against income:	5,809,011	2,412,187
Capital Development Fund	1,229,350	965,717
Provisions and Reserves	2,396,851	364,675
Fixed Assets	2,182,810	1,081,795
Capital Charges	1,133,344	1,075,887
Interest Paid		
- Internal Funds	104,650	79,485
- External Loans	453,510	506,802
Redemption		
- Internal Advances	164,020	101,720
- External Loans	411,164	387,880
Investment income (Operating Account)	(155,893)	(60,643)
Internal Interest Transferred to operating Account	-	-
Non-Operating Income		
Statutory Funds	(511,833)	(1,033,629)
Housing Operating Account	-	(1,775,404)
Provisions & Reserves	(2,165,077)	(15,392,096)
Non-Operating Expenditure		
Funds, Reserves & Provisions	2,552,354	19,342,015
	<u>10,465,685</u>	<u>5,230,338</u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b>19 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in Inventory	-	-
(Increase)/Decrease in Current Debtors	(5,834,172)	(4,488,447)
Decrease/(Increase) in Long Term Debtors	10,662	134,120
Increase/(Decrease) in Creditors	(1,376,159)	794,494
Increase/(Decrease) in consumer Deposits	13,990	1,421
	<u>(7,185,679)</u>	<u>(3,558,412)</u>
<b>20 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)</b>		
Loans Raised	2,870,468	-
Loans Repaid	(411,164)	(387,880)
	<u>2,459,304</u>	<u>(387,880)</u>
<b>21 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS</b>		
Investments Made	8,549,429	9,295,649
Investments Realised	10,451,261	13,873,980
	<u>1,901,832</u>	<u>(4,578,331)</u>
<b>22 (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash beginning of the year	(982,308)	540,205
Cash and Cash equivalents at end of the year	125,592	(982,308)
	<u>(1,107,900)</u>	<u>1,522,513</u>

### 23 RETIREMENT BENEFITS

Employees and Councillors belong to the following retirement Funds:

- (i) Natal Joint Municipal Pension Fund (retirement)
- (ii) Natal Joint Municipal Pension Fund (superannuation)
- (iii) Natal Joint Municipal Pension Fund (provident)
- (iv) Municipal Gratuity Fund
- (v) Municipal Employees Pension Fund
- (vi) Government Employees Pension Fund
- (vii) Municipal Councillors Pension Fund

The retirement plan is subject to the Pension Fund Act 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs.

Full actuarial valuation are performed at least every three years. The latest independent valuation of the funds, which indicated that the funds were in a sound financial position, was undertaken on 31 March 2003.

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2006</u> <u>R</u>	<u>2005</u> <u>R</u>
<b>24 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
None	-	-
	<u>-</u>	<u>-</u>
<b>25 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure		
Approved and contracted for	-	4,071,498
Approved but not yet contracted for	-	-
	<u>-</u>	<u>4,071,498</u>
 This expenditure will be financed from		
Internal sources	-	1,071,498
External sources	-	3,000,000
Provisional Grant	-	-
	<u>-</u>	<u>4,071,498</u>
<b>26 CONSOLIDATED CAPITAL DEVELOPMENT FUND</b>		
Outstanding advances to borrowing services		
Accumulated fund	8,072,395	6,438,803
Less:		
External Investments	-	-
Internal Loans	1,924,882	897,395
Temporary borrowings	3,283,527	3,283,527
	<u>2,863,986</u>	<u>2,257,881</u>
(Refer to Appendices A and B for more detail )		
<b>27 PUBLIC IMPROVEMENT FUND</b>		
Outstanding advances to borrowing services		
Accumulated fund	14,209,793	14,169,140
Less:		
Improvements	8,380,089	8,272,928
Temporary Borrowings	-	-
	<u>5,829,704</u>	<u>5,896,212</u>
(Refer appendices B for more detail)		
<b>28 HOUSING OPERATING ACCOUNT</b>		
Outstanding advances to borrowing services		
Accumulated fund	(24,560)	(24,560)
Represented by :		
Housing debtors	-	-
Fixed assets	-	-
Temporary borrowings	-	-
	<u>(24,560)</u>	<u>(24,560)</u>

**APPENDIX A**

**STATUTORY, RESERVE AND TRUST FUNDS, AND PROVISIONS**

	Balance 01-Jul-05	Contributions for 2005/2006	Interest on Investments	Interest on internal advances	Other Income	Expenditure for 2005/2006	Balance 30-Jun-06
<b>STATUTORY FUNDS</b>							
Capital Development Fund	6,438,803	1,229,350	-	104,650	299,592	-	8,072,395
- Rate & General Services	6,438,803	1,229,350		104,650	299,592		8,072,395
- Water & Sewerage							-
- Electricity							-
Public Improvement Fund	5,896,212	-			107,591	174,099	5,829,704
	12,335,015	1,229,350	-	104,650	407,183	174,099	13,902,099
<b>TRUST FUNDS</b>							
Ncotshane Peoples Housing Project	-24,560						-24,560
Traditional Affairs: Office furniture	1,378						1,378
Agricultural Cluster LED	-					10,813	-10,813
	-23,182	-	-	-	-	10,813	-33,995
<b>RESERVES</b>							
Ncotshane Community Hall	24,981						24,981
Bus Route	152,567						152,567
Refuse Dump	-						-
Scorpio	-						-
NLK Entrance Road	101,136						101,136
Transitional Grant	13,500					13,500	-
Water Meters	56,752						56,752
Peace Initiative	(63,426)						-63,426
Land Use Management Plan	48,903				250,000		298,903
KZN TALG Building Grant	-						-
Disaster Management Grant	20,000						20,000
GIS Grant	4,853						4,853
Performance Management Grant	70,967				40,000	21,800	89,167
DBSA Tourism Grant	-						-
Cemetery Plan	-						-
Strategic Planning	-						-
IDP Capacity Grant	170,000				50,000	82,148	137,852
Ncotshane New Library	332,857					60,000	272,857
Admin Block: Traffic	0						-
Ncotshane Library Furniture	0						-
Waste Management	0						-
MAP	1,966,741				900,000	429,221	2,437,520
Ncotshane Collector Sewer	-1,047,748					404,097	-1,451,845
Integrated Waste Management	0						-
IDP Review	50,000					50,000	-
Financial Management Grant	75,000						75,000
Community Participation Grant	50,000					50,000	-
MFMA	45,000				100,000		145,000
Develop Admin. Capacity	100,000				200,000		300,000
Property Rates Implementation	63,125				165,000		228,125
Inter Departmental Monitoring	60,000				40,000	22,303	77,697
Pongolapoortdam Development	30,644					96,786	-66,142
Community Dev. Workers Grant	0				72,000	3,694	68,306
DBSA Planning Grant	0				96,000	180,000	-84,000
Housing SP Community Gardens	190,529					66,322	124,207
Planning & Development	116,619					15,102	101,517
Municipal Financial Systems	172,119				250,000	88,662	333,457
Uniforms for staff	36,845						36,845
LED Agricultural Cluster	-						-
Cleanest Town Competition	199,456					199,456	-
Insurance Reserve	194,444				2,077	36,618	159,903
Working Capital Reserve	-						-
	3,235,864	-	-	-	2,165,077	1,819,709	3,581,232
<b>PROVISIONS</b>							
Leave Pay	478,912	457,884				373,634	563,162
	478,912	457,884	-	-	-	373,634	563,162
	16,026,609	1,687,234	-	104,650	2,572,260	2,378,255	18,012,498

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES**

		Loan Amount	Interest Rate	Term Years	Final Date	Balance 30-Jun-05	Received During the Year	Redeemed or Written-off during the year	Balance 30-Jun-06
						R	R	R	R
<b>EXTERNAL LOANS</b>									
DBSA	Water	15,200	10.875%	30	31-Dec-08	8		-	8
DBSA	Water	609,500	13.45%	30	01-Dec-12	387,411		32,550	354,861
DBSA	Electricity	150,000	13.45%	25	31-Dec-08	57,045		13,741	43,304
DBSA	Electricity	170,000	17.18%	25	31-Dec-11	113,492		10,593	102,899
DBSA	Water	49,655	14.63%	25	30-Jun-12	92		-	92
DBSA	Water	352,000	15.70%	25	30-Jun-13	252,487		17,525	234,962
DBSA	Electricity	39,745	17.18%	25	30-Jun-12	109		-	109
DBSA	Mun. Offices	900,000	15.80%	20	30-Jun-13	664,531		45,942	618,589
DBSA	Water	2,130,000	14.35%	20	31-Dec-14	993,090		54,064	939,026
DBSA	Mun. Offices	600,000	13.08%	15	30-Jun-09	280,260		57,353	222,907
Nedbank	Roads	139,200	10.50%	3	01-Aug-07	104,595		44,849	59,746
Nedbank	Sewerage	139,200	10.50%	3	01-Aug-07	104,595		44,849	59,746
Nedbank	Water	139,200	10.50%	3	01-Aug-07	104,595		44,849	59,746
Nedbank	Electricity	139,200	10.50%	3	01-Aug-07	104,595		44,849	59,746
ABSA	Mun. Offices	3000000	9.50%	10	01-Aug-15		2,870,468		2,870,468
						<b>3,166,906</b>	<b>2,870,468</b>	<b>411,164</b>	<b>5,626,209</b>

**INTERNAL ADVANCES TO BORROWING SERVICES**

<b>Internal Loans</b>									
Capital Development fund	Sewerage Network	910,896	10.00%	10	30-Jun-10	478,282		92,048	386,234
Capital Development fund	Municipal Buildings	300,000	10.00%	10	30-Jun-10	157,520		30,316	127,204
Capital Development fund	Sport & Recreation	134,814	10.00%	10	30-Jun-10	70,786		13,623	57,163
Capital Development fund	Official House erf 97	237,430	10.00%	10	30-Jun-11	148,462		21,812	126,650
Capital Development fund	Sport & Recreation	67,720	10.00%	10	30-Jun-11	42,345		6,221	36,124
Capital Development fund	Municipal Offices	1,191,507	10.00%	10	30-Jun-15		1,191,507		1,191,507
						<b>897,395</b>	<b>1,191,507</b>	<b>164,020</b>	<b>1,924,882</b>
						<b>4,064,300</b>	<b>4,061,975</b>	<b>675,183</b>	<b>7,551,092</b>

**APPENDIX C**

**ANALYSIS OF FIXED ASSETS**

EXPENDITURE 2005	SERVICE	BUDGET 2006	BALANCE AT 30 JUNE 2005	EXPENDITURE 2006	REDEEMED, TRANSFERRED OR WRITTEN- OFF	BALANCE AT 30 JUNE 2006
R		R	R	R	R	R
11,843,499	<b>RATES AND GENERAL SERVICES</b>	11,191,900	44,248,954	5,190,629	189,555	49,250,028
7,062,830	Community Services	9,093,900	23,145,949	4,994,118	37,650	28,102,417
-	Cemetery	110,000	-	-	-	-
-	Civil Defence	15,000	55,720	-	-	55,720
-	Stores	-	1,708	-	-	1,708
-	Community Hall	-	-	-	-	-
-	Parks & Grounds	62,000	143,659	-	-	143,659
97,129	Council General	10,000	350,547	-	-	350,547
-	Municipal Manager	1,163,000	146,112	55,891	-	202,003
376,345	Roads	4,077,400	9,540,327	547,202	-	10,087,529
78,841	Town Treasurer	106,000	417,761	70,243	-	488,004
-	Estates	282,000	4,044	82,842	-	86,886
-	Airport	-	340,286	-	-	340,286
7,718	Traffic	200,000	246,238	250,552	37,650	459,140
-	Workshop	30,000	8,545	-	-	8,545
-	Caravan Park	-	308,039	-	-	308,039
-	Municipal Buildings	-	3,467,666	-	-	3,467,666
6,238,527	Municipal Offices	3,000,000	7,760,404	3,981,518	-	11,741,922
264,270	Technical Officer	39,500	354,893	5,870	-	360,763
700,282	Subsidised Services	1,325,000	3,199,182	112,623	-	3,311,805
700,282	Library	165,000	2,025,797	112,623	-	2,138,420
-	Health	80,000	2,575	-	-	2,575
-	Tourism	930,000	-	-	-	-
-	Sport & Recreation	150,000	1,170,810	-	-	1,170,810
4,080,387	Economic Services	773,000	17,903,823	83,888	151,905	17,835,806
91,138	Licensing	-	152,050	-	-	152,050
371,461	Testing Grounds	410,000	1,543,559	83,888	-	1,627,447
3,366,050	Sewerage	238,000	15,008,297	-	151,905	14,856,392
251,738	Refuse	125,000	1,199,917	-	-	1,199,917
593,080	<b>TRADING SERVICE</b>	1,100,000	8,832,231	1,329,896	-	10,162,127
453,879	Electricity	1,100,000	1,303,713	196,909	-	1,500,622
139,201	Water	-	7,528,518	1,132,987	-	8,661,505
31,328	<b>PUBLIC IMPROVEMENT FUND</b>	-	8,272,928	107,161	-	8,380,089
12,467,907	<b>TOTAL FIXED ASSETS</b>	12,291,900	61,354,113	6,627,686	189,555	67,792,244

**LOANS REDEEMED AND  
OTHER CAPITAL RECEIPTS**

Loans redeemed  
Contribution from operating income  
Fund Contribution  
Grants and Subsidies

53,756,471	2,831,493	189,555	56,398,406
4,805,574	575,183	-	5,380,757
8,533,054	2,182,810	-	10,715,864
8,241,600	-	-	8,241,600
32,176,243	73,500	189,555	32,060,188
7,597,642	3,796,193	-	11,393,835

**NET FIXED ASSETS**

# APPENDIX D

## ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006

2005 ACTUAL R	<u>INCOME</u>	2006 ACTUAL R	2006 BUDGET R
<b>13,163,236</b>	<b>Grants and Subsidies</b>	<b>18,772,166</b>	<b>23,967,338</b>
11,890,479	National Government	17,815,779	18,303,000
1,189,495	Provincial Government	831,387	4,314,338
83,262	District Municipality	125,000	1,350,000
<b>18,966,784</b>	<b>Operating Income</b>	<b>22,050,266</b>	<b>23,683,764</b>
3,775,614	Assessment rates	3,833,840	4,907,850
4,669,099	Water Sales	5,024,223	4,175,487
4,899,034	Electricity Sales	5,370,082	5,657,235
5,623,037	Other Income	7,822,121	8,943,192
60,543	Interest Earned	155,893	40,000
<b>32,190,563</b>	<b>Total Income</b>	<b>40,978,325</b>	<b>47,691,102</b>
	<u>EXPENDITURE</u>		
10,846,432	Salaries, Wages and Allowances	12,322,188	12,789,577
	Councillor Remuneration	1,372,691	1,633,185
15,353,737	General Expenditure	13,580,413	19,093,990
601,678	Water Purchases	667,472	938,786
4,740,150	Electricity Purchases	4,027,323	3,813,732
1,925,174	Repairs and Maintenance	2,027,886	2,952,351
1,075,887	Capital Charges	1,133,344	1,602,675
1,330,392	Contributions To Funds	3,626,201	3,596,887
1,081,795	Contributions to Capital Outlay	2,182,810	3,988,896
<b>36,955,245</b>	<b>Gross Expenditure</b>	<b>40,940,328</b>	<b>50,410,079</b>
5,102,478	Less: Amounts Charges out	3,810,985	3,957,008
<b>31,852,767</b>	<b>Net Expenditure</b>	<b>37,129,343</b>	<b>46,453,071</b>

**APPENDIX E**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

2005 ACTUAL INCOME R	2005 ACTUAL EXPENDITURE R	2005 SURPLUS/ (DEFICIT) R		2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	2006 SURPLUS/ (DEFICIT) R	2006 BUDGET SURPLUS/ (DEFICIT) R
22,622,430	22,185,475	436,955	<b>RATES AND GENERAL SERVICES</b>	27,786,522	25,411,719	2,384,803	1,801,118
17,944,864	14,673,652	3,271,212	<b>Community Services</b>	22,091,318	16,709,067	5,382,251	5,471,200
1,203,950	1,199,421	4,529	Belgrade	908,064	943,696	(35,632)	(1,982)
33,236	2,144	31,092	Caravan Park	32,250	6	32,244	61,580
38,541	614,386	(575,845)	Cemetery	39,369	732,177	(692,808)	(615,804)
246	595,019	(594,773)	Corporate Service	-	1,327,273	(1,327,273)	(1,111,286)
11,911,786	3,847,148	8,064,638	Council General Expenses	-	3,562,704	(3,562,704)	(4,786,815)
-	26,779	(26,779)	Housing	-	572,694	(572,694)	(597,255)
-	235,764	(235,764)	Human Resources	-	(371,358)	371,358	(1)
73,624	632,972	(559,348)	Municipal Buildings	71,504	895,187	(823,683)	(341,567)
251,716	44,545	207,171	Municipal Land	269,477	34,175	235,302	236,059
-	186,615	(186,615)	Municipal Manager	-	531,126	(531,126)	(743,231)
-	-	-	Municipal Offices	-	(442,336)	442,336	-
-	870,054	(870,054)	Parks & Gardens	-	552,927	(552,927)	(539,510)
-	-	-	Planning & Development	-	609,121	(609,121)	(516,100)
-	2,460,779	(2,460,779)	Roads & Stormwater	-	2,326,629	(2,326,629)	(3,225,002)
10,775	919,058	(908,281)	Technical Officer	14,188	801,987	(787,799)	(711,757)
4,420,990	2,607,771	1,813,219	Town Treasurer	20,756,466	4,833,059	16,123,407	18,363,671
-	631,199	(631,199)	Workshop	-	-	-	-
1,580,469	4,905,362	(3,324,893)	<b>Subsidised Services</b>	1,983,783	4,884,482	(2,900,699)	(3,683,883)
-	47,000	(47,000)	Aerodrome	-	15,976	(15,976)	(379)
228	52,782	(52,534)	Fire Brigade/Disaster Management	100	291,615	(291,715)	(322,599)
16,594	316,651	(300,057)	Health	12,810	77,243	(64,433)	(235,646)
-	744,267	(744,267)	Library	154	703,470	(703,316)	(867,112)
21,623	397,637	(376,014)	Sport & Recreation	24,613	481,020	(456,407)	(658,435)
1,135,464	1,394,366	(258,902)	Testing Grounds	1,362,556	1,340,998	21,558	8,482
52,000	106,278	(54,278)	Tourism	125,000	196,812	(71,812)	(684,110)
354,560	1,846,401	(1,491,841)	Traffic	458,550	1,777,148	(1,318,598)	(924,064)
3,097,097	2,606,461	490,636	<b>Economic Services</b>	3,721,421	3,818,170	(96,749)	13,761
2,237,076	1,763,542	473,536	Refuse	2,707,475	2,645,387	62,088	6,423
860,019	842,919	17,100	Sewerage	1,013,946	1,172,783	(158,837)	7,358
9,568,133	9,667,202	(99,159)	<b>TRADING SERVICES</b>	13,181,803	11,717,624	1,464,179	(563,067)
4,899,034	6,569,612	(1,670,578)	Electricity	6,185,000	6,685,639	(500,639)	5,526
4,669,099	3,097,680	1,571,419	Water	6,996,803	5,031,785	1,965,018	(568,615)
32,190,563	31,652,767	337,796	<b>TOTAL</b>	40,976,325	37,129,343	3,846,982	1,238,031
		324,125	Appropriations for the year			(45,203)	
		661,921	Net surplus for the year			3,803,779	
		1,436,279	Accumulated surplus beginning of the year			2,098,200	
		2,098,200	Accumulated surplus end of the year			5,901,979	